

GREATER **LONDON** AUTHORITY

FOCUS ON LONDON 2012



SKILLS: DEGREES OF QUALIFICATION

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Introduction

London's diverse economy and status as one of the most important cities in the world calls for a highly skilled workforce. The skills and qualifications Londoners have are considered an important predictor of their success in a competitive labour market. It is therefore important to understand the qualifications and skills of young people as they prepare to move from education into the labour force, and how the qualifications of Londoners are linked to their employment status.

This report firstly explores the skills and qualification levels of young people before moving on to an analysis of adults' qualifications and the skills that different occupations in London require. It shows a picture of a dynamic city where pupils' achievement is on the rise and more and more people have formal qualifications.

London is a cosmopolitan city competing for talent not only with the rest of the UK, but with other countries and world cities as well. For this reason, international comparisons are woven into both the young people and adults sections.

Summary

- > **B**etween 1999/2000 and 2010/11, the percentage of London pupils obtaining at least five GCSE A*-C grades increased from 45 to 81 per cent.
- > **T**he OECD PISA study of reading, mathematics and science skills showed that London pupils were below UK average in all three tests.
- > **B**etween 2009/10 and 2010/11 the number of apprenticeships started in London almost doubled, from 20,350 to 40,410.
- > **L**ondon has 13 per cent of UK population, but 16 per cent of all students, 22 per cent of all postgraduate students and 24 per cent of all international students in the UK.
- > **H**ighly-skilled occupations account for 55 per cent of jobs in London, compared with 45 per cent in the UK as a whole.
- > **I**n 2010, 42 per cent of working-age London population had a degree-level qualification, compared with just 32 per cent in the UK as a whole. London also had a lower percentage of people with no qualifications (9 per cent) compared with the UK (11 per cent).
- > **A**mongst Londoners aged 25-44, 51 per cent had at least a degree-level qualification, which is much higher than amongst the 45-64 age group at 37 per cent.
- > **I**n 2010, Inner London had the highest proportion of adults with tertiary education, out of more than 400 regions in the European Economic Area.

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Qualifications* of young people

Educational attainment is a crucial factor in labour market success. This section focuses on results achieved by young people in London at GCSE and A-level along with an analysis of the PISA (Programme for International Student Assessment) study. Higher education admissions and apprenticeships data conclude this section.

GCSE results - National Vocational Qualification (NVQ) 'Level 2'

GCSE results have been improving rapidly amongst children in England. The percentage obtaining at least five A*-C grades rose from 47 per cent in 1999/2000 to 80 per cent in 2010/11. London is no different, in the same time period the results for London increased from 45 to 81 per cent (Chart 1).

Chart 1: Percentage of pupils achieving at least five A*-C GCSEs (any subject), London, England, 1999/2000 - 2010/11



Source: Department for Education, 2011

* The charts and tables in this chapter are based on a definition of skill levels used in the Annual Population Survey. In brief, these definitions correspond to widely known qualification levels as follows:

'NVQ Level 4 and above' corresponds to degree or higher level qualifications;

'NVQ Level 3' corresponds to A Level standard qualifications;

'NVQ Level 2' corresponds to GCSE qualifications;

'Trade Apprenticeship' applies to those who have obtained no vocational qualification in addition to the time-served apprenticeship; and

'Other qualifications' usually means an individual has obtained qualifications abroad that are not categorised in the UK definitions.

Compared with other regions, in 2010/11 London had the 4th highest percentage of pupils achieving at least five A*-C grades (any subject), behind North East, North West and West Midlands. This is true for boys and girls.

“London has the highest percentage of pupils with five GCSE at A-C level including English and Maths”*

Inner London boroughs have lower scores than those in Outer London but the difference has been narrowing, from 14 percentage points in 1999/2000 to 5 per cent in 2010/11. It is important to note that the results are only for maintained schools. Regions where a higher than average proportion of pupils go to independent schools might mean that the results in maintained schools will be lower. London, at 13 per cent had the second highest proportion of pupils in independent schools trailing only South East at 17 per cent. The England average is 10 per cent, while the three regions with the highest percentage of pupils achieving A*-C grades

have all a below average percentage of pupils in independent schools. There are six boroughs where over a quarter of pupils aged 4 to 15 attend independent schools - Kensington and Chelsea (50 per cent), Richmond upon Thames (28), Hammersmith and Fulham, and Camden (26), and Westminster, and Wandsworth (25).

The story is more favourable for London when including English and Mathematics scores (at least A*-C), which are crucial to many employment opportunities. In London, 61 per cent of pupils achieved at least five GCSE at A*-C level, including in English and Mathematics, the highest percentage in England, almost 3 per cent above the average. Outer London boroughs outperform Inner London by 4 per cent.

At borough level there are big differences in GCSE achievement (any subject) in maintained schools. The best results in maintained schools are achieved by pupils in Hammersmith and Fulham, Sutton and Kensington and Chelsea, where at least 90 per cent of pupils achieve 5+ A*-C grades. At the other end of the scale, are pupils from Lewisham, Camden, Hackney and Newham where less than 74 per cent achieve these results (Chart 2, p.7).

In the last six years the biggest improvements happened in Merton (from 48 to 86 per cent and Westminster (49

Table 1: Percentage point change in pupils achieving 5+ A*-C GCSE, boroughs, 2005/06 - 2010/11

	5+ A*-C grades			5+ A*-C grades inc. English & Mathematics GCSEs		
	2005/06	2010/11	Difference between 2005/06 and 2010/11	2005/06	2010/11	Difference between 2005/06 and 2010/11
Barking and Dagenham	55.8	80.7	24.9	37.7	56.6	18.9
Barnet	65.5	85.6	20.1	55.9	67.5	11.6
Bexley	64.2	86.9	22.7	50.3	63.0	12.7
Brent	61.4	79.2	17.8	48.9	61.3	12.4
Bromley	67.6	87.6	20.0	54.2	66.8	12.6
Camden	54.7	72.4	17.7	45.7	59.2	13.5
Croydon	56.7	86.6	29.9	42.7	60.3	17.6
Ealing	61.8	74.9	13.1	48.8	56.1	7.3
Enfield	53.5	80.8	27.3	43.0	59.2	16.2
Greenwich	43.0	74.8	31.8	31.4	53.6	22.2
Hackney	50.9	73.6	22.7	36.7	56.5	19.8
Hammersmith and Fulham	62.1	91.2	29.1	49.0	70.8	21.8
Haringey	51.7	76.6	24.9	34.3	56.8	22.5
Harrow	64.3	79.8	15.5	53.4	63.6	10.2
Havering	63.3	79.2	15.9	54.6	63.5	8.9
Hillingdon	54.7	83.7	29.0	43.5	58.2	14.7
Hounslow	63.1	86.2	23.1	50.9	62.0	11.1
Islington	47.0	74.5	27.5	32.8	48.9	16.1
Kensington and Chelsea	63.0	90.0	27.0	54.3	72.2	17.9
Kingston upon Thames	68.1	86.8	18.7	58.6	70.4	11.8
Lambeth	55.4	79.1	23.7	41.7	60.1	18.4
Lewisham	54.8	67.2	12.4	40.8	55.0	14.2
Merton	48.2	85.5	37.3	39.5	59.5	20.0
Newham	52.8	73.9	21.1	41.1	55.0	13.9
Redbridge	72.1	81.1	9.0	59.1	68.1	9.0
Richmond upon Thames	56.5	81.4	24.9	49.7	61.7	12.0
Southwark	48.8	81.2	32.4	34.4	57.3	22.9
Sutton	70.8	91.2	20.4	63.1	74.4	11.3
Tower Hamlets	56.3	79.8	23.5	34.0	60.4	26.4
Waltham Forest	51.1	76.7	25.6	38.6	53.7	15.1
Wandsworth	58.3	83.1	24.8	41.8	60.5	18.7
Westminster	48.7	85.5	36.8	40.6	62.3	21.7
London	58.3	81.2	22.9	45.8	61.0	15.2
Inner London	53.6	77.8	24.2	39.3	58.4	19.1
Outer London	60.5	82.7	22.2	48.8	62.2	13.4
England Average ¹	59.0	78.8	19.8	45.6	58.3	12.7

Source: Department for Education, 2011

¹England averages also include independent schools as well as hospital schools and PRUs.

to 86 per cent) which rose from bottom sixth to the top third of London boroughs. The smallest increase was in Redbridge (from 72 to 81 per cent) which fell from the top borough in 2005/06 to an average position in 2010/11 (Table 1, p.6).

Including English and Mathematics scores does not change the picture dramatically with the same boroughs at the top, but the picture is slightly different at the bottom end dominated by Islington, Greenwich, Waltham Forest and the other previously mentioned

low performing boroughs. The biggest improvement was among the currently low performing boroughs, which indicates that the difference between the top and bottom ones is getting smaller (Table 1, p.6).

Programme for International Student Assessment (PISA)

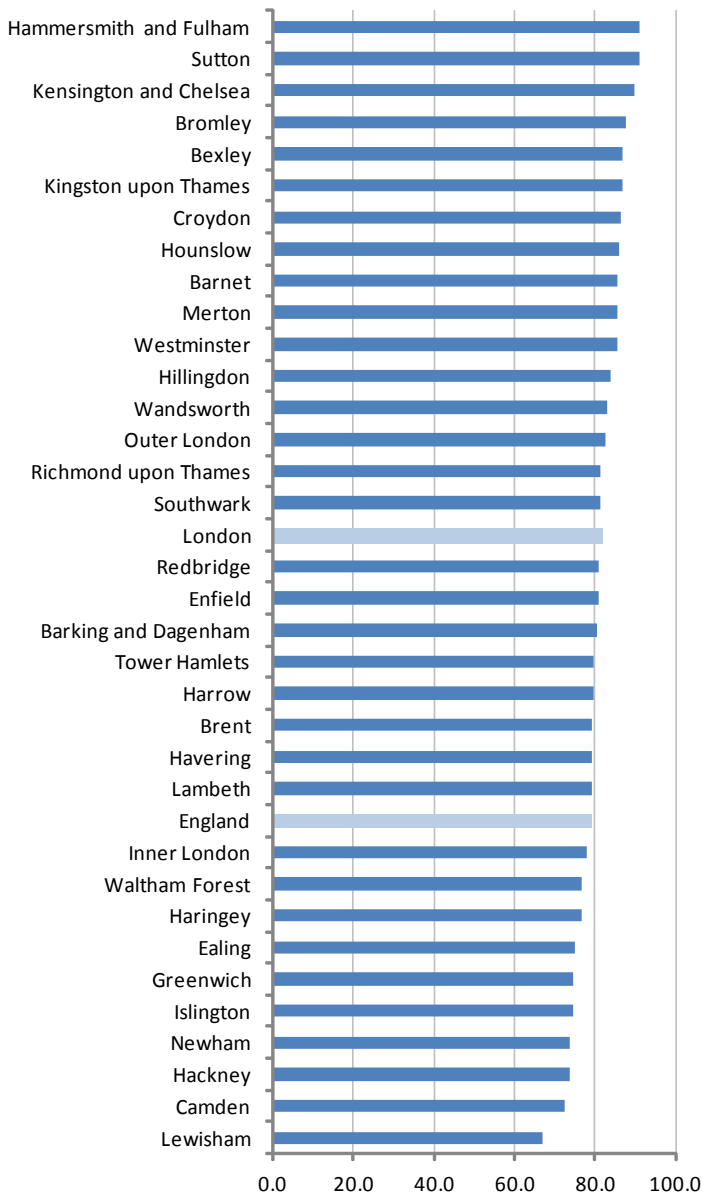
The Organisation for Economic Co-operation and Development (OECD) conducts a standardised PISA study to compare the science, reading and maths skills of 15 year-olds across different countries. The test is conducted on a representative sample of schools (167 in England) and a representative sample of students within schools (4,081 pupils). The data cannot be broken down by region and so London-level data is not available. However, the data can be broken down by the size of a city, and for the purpose of this chapter a city defined in the survey as ‘a large city (above 1 million people)’ in the UK will be used as a proxy for London as London is the only UK city with more than 1 million people. Data is based on location of educational establishment.

“In London, the gap in PISA scores between public and state schools is the biggest in OECD”

In comparison to other large cities across the world, scores in London maintained schools were average in 2009 (Table 2, p.8). In a group of large cities from 48 countries, London was average in all three tests, science (481 points), reading (470) and mathematics (464). The UK average was 514 for science, 494 in reading and 492 in mathematics – all higher than in London.

However, the story is different when looking only at private schools. In a group of 38 countries with large cities, London pupils were among the best in all three tests. The gap in scores between London’s maintained and private schools is the biggest in the OECD countries. According to OECD research, the overall difference in results between maintained and public schools is mostly explained by students’ socio-economic background and not differences in the schools themselves. This may be explained by the fact that a high proportion of wealthy families in London send their children to private schools, whereas in other countries this trend may be less prominent.

Chart 2: Percentage of pupils achieving 5 A*-C GCSE, London boroughs, 2010/11



Source: Department for Education, 2011

Table 2: Reading, maths and science skills of 15-year olds, only 'large cities (over 1 million people)' in selected countries, 2000-2009

Only large cities (over 1 million people) in selected countries	2000			2003			2006			2009		
	Reading	Maths	Science	Reading	Maths	Science	Reading	Maths	Science	Reading	Maths	Science
Australia	537	546	532	537	534	534	526	533	536	528	527	537
Austria	484	487	493	494	514	497	490	501	499	462	486	477
Belgium	-	-	-	500	519	506	563	555	534	483	484	480
Canada	-	-	-	524	531	510	533	533	535	541	540	537
Czech Republic	514	516	526	524	553	560	520	560	558	515	530	541
Denmark	511	524	489	507	524	488	553	546	532	483	485	484
Finland	555	536	545	-	-	-	-	-	-	-	-	-
France	555	567	560	-	-	-	-	-	-	-	-	-
Germany	459	466	468	495	507	506	472	480	487	487	498	498
Greece	486	457	469	511	476	511	501	488	507	493	473	477
Hungary	507	511	517	513	524	535	511	508	522	514	510	519
Iceland	505	482	491	-	-	-	-	-	-	-	-	-
Ireland	-	-	-	522	501	509	526	510	516	488	469	491
Italy	467	445	460	475	444	473	487	488	492	493	480	489
Japan	519	551	549	489	525	537	511	533	540	537	547	551
Korea	531	556	558	542	556	551	563	554	527	537	547	538
Mexico	468	430	457	445	427	442	445	436	439	462	451	449
New Zealand	525	532	525	-	-	-	520	525	530	514	513	521
Poland	510	489	503	550	534	556	564	535	548	547	551	553
Portugal	511	482	487	530	519	519	502	482	492	521	506	516
Spain	517	501	519	507	507	514	486	497	506	517	511	516
Sweden	525	515	516	536	529	530	516	516	512	-	-	-
Turkey	-	-	-	466	450	458	481	457	451	463	441	452
United States of America	471	449	461	449	437	443	-	433	440	484	462	474
United Kingdom - London proxy	525	527	528	461	459	467	484	487	501	481	474	492
OECD Average	516	515	517	508	509	512	512	507	509	501	496	502
United Kingdom (country)	523	529	532	507	508	518	495	495	515	494	492	514
Argentina	457	436	431	-	-	-	427	435	442	444	420	438
Brazil	417	356	392	425	380	410	422	396	411	430	396	419
Bulgaria	508	508	509	-	-	-	452	454	483	473	458	474
Chinese Taipei	-	-	-	-	-	-	522	579	559	507	557	529
Dubai (UAE)	-	-	-	-	-	-	-	-	-	482	474	488
Hong Kong	-	-	-	-	-	-	-	-	-	533	554	549
Qatar	-	-	-	-	-	-	395	342	404	459	442	459
Russia	493	502	486	479	507	524	469	499	508	506	509	520
Shanghai-China	-	-	-	-	-	-	-	-	-	556	600	575
Singapore	-	-	-	-	-	-	-	-	-	526	562	541
Slovenia	-	-	-	-	-	-	-	-	-	450	460	477
Thailand	438	444	452	461	465	472	488	486	488	463	475	475
Tunisia	-	-	-	376	360	388	358	383	369	450	426	452

Source: PISA, OECD, 2010

An important point to note is that while GCSE results have been improving rapidly over the last ten years, results of PISA study in London has not followed the same pattern. Pupils in London went from slightly above the 'large city' OECD average in all three tests in 2000 to slightly below the average in 2003, 2006 and 2009 studies.

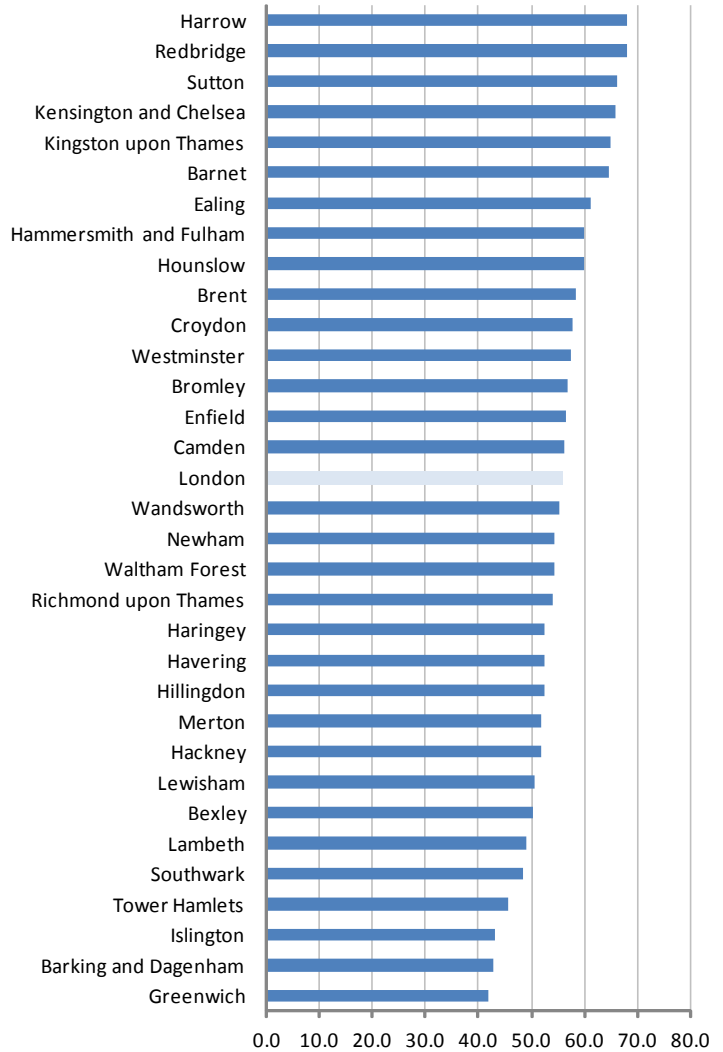
A-levels - NVQ 'Level 3'

After obtaining GCSEs or other 'Level 2' qualifications, the next qualification target are 'Level 3' qualifications. The share of London's 19 year olds who have these qualifications has risen by 12 percentage points, from 44 to 56 per cent, over the last five years. The England figure for the corresponding period increased by 9 percentage points, from 42 to 51 per cent (Chart 3).

The increase in A-levels achievement over the last five years has been slower than at GCSE (A*-C) level, 12 per cent compared with 23 per cent.

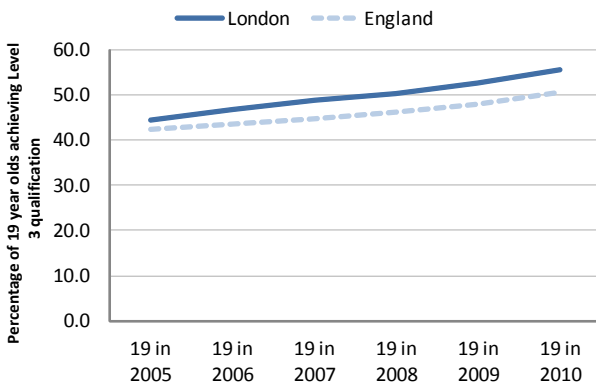
At borough level the results vary from 42 per cent in Greenwich to 68 per cent in Harrow. It is important to note that the results cover only maintained schools, which explains some surprising results, such as Richmond having below average percentage of young people with 'Level 3' qualification (Chart 4). Including data only for maintained schools means that the results are distorted for boroughs with a high proportion of pupils going to independent schools.

Chart 4: Percentage of 19 year olds achieving Level 3 qualification, London boroughs, 2010



Source: Department for Education, 2011

Chart 3: Percentage of 19 year olds achieving Level 3 qualification, London, England, 2005 - 2010



Source: Department for Education, 2011

Students

London, with its highly diversified economy, requires a well qualified workforce. In 2009/10, according to Higher Education Statistics Authority (HESA), the capital was home to 418,250 students, 16 per cent of all students in the UK. London's total population is only 13 per cent of the whole UK, which means that the capital has proportionally more students than the UK as a whole. More than five per cent of London's population are students. Among those, 129,135 were postgraduate students – 22 per cent of all postgraduates in the UK.

Table 3: Students in London, 2009/10

	Number in London	London share of UK total
Total population	7.9m	13%
All students	418,250	16%
Postgraduate students	129,135	22%
International students	99,360	24%

Source: Higher Education Statistics Agency, 2011

London attracts students from other parts of the country and is a magnet for students from abroad. In 2009/10 almost 100,000 London students came from outside the UK. International students comprise 24 per cent of all students in London, compared with 16 per cent in the whole of UK (Table 3).

Apprenticeships

Apprenticeships are an alternative route for young people to acquire experience and skills valuable in the labour market. In recent years, both the national Government and the Mayor of London emphasised the importance of apprenticeships in meeting London's skills needs.

Between 2009/10 and 2010/11 the number of apprenticeships started in London almost doubled, from

Chart 5: Percentage increase in Apprenticeships starts, London and Rest of England, 2005/06 - 2010/11 (2005/06 = 100)



Source: The Data Service, 2011

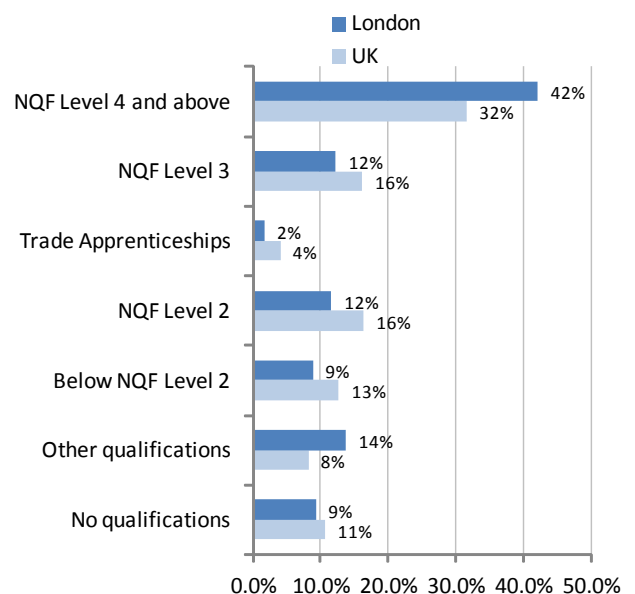
20,350 to 40,410. Figures for England followed a similar pattern, but with slower rates of growth (Chart 5). The proportion of successfully completed apprenticeships has increased as well. In 2010/11 more than 13,000 apprenticeships were completed in London.

The majority of apprenticeships started and achieved were at NVQ Level 3 and above. Sectors with the highest number of starts were: Business, Administration and Governance (2,530 starts – 12.4 per cent), Children and Young People (2,430 – 11.9 per cent) and Customer Service and Contact Centre (2,190 – 10.7 per cent). More detailed information is available in *Apprenticeships in London: where do we go from here?* report (p.17).

Qualifications of adults

This part of the report focuses on adult Londoners and how their qualifications translate into employment status. It also considers how different occupations and industries have differing needs in terms of qualifications amongst their workers. International comparisons conclude this section. The data is taken from the Annual Population Survey unless otherwise stated.

Chart 6: Highest qualification held, London and UK, working-age 2010



Source: Annual Population Survey, ONS, Jan-Dec 2010

Qualification levels of London residents

London's working-age population has, on average, higher-level qualifications than the UK population. This is particularly true in terms of the share of the population that holds degree-level qualifications. In 2010, 42 per cent of the working-age population had 'Level 4 or above' qualifications compared with just 32 per cent of the total UK population (Chart 6, p.10).

At the opposite end of the qualifications scale, the share of London's working-age population who had no qualifications was 9 per cent, slightly less than the UK figure of 11 per cent. London's 9 per cent represent nearly half a million people with no qualifications.

London had a lower proportion of people with Trade Apprenticeships than the UK average – 2 compared with 4 per cent. Based on this data alone, it is difficult to say whether London faces a shortage of skilled trades because the apparent void might be filled by immigrants whose qualifications would be classified as 'other'. Looking at incidence of skills gaps by occupation suggests that indeed this might be the case. In 2009, employers in London reported lower occurrence of skills shortage in skilled trades occupations (proportionally to the percentage of people working in such occupations - 8 per cent) compared with employers in other regions in England.

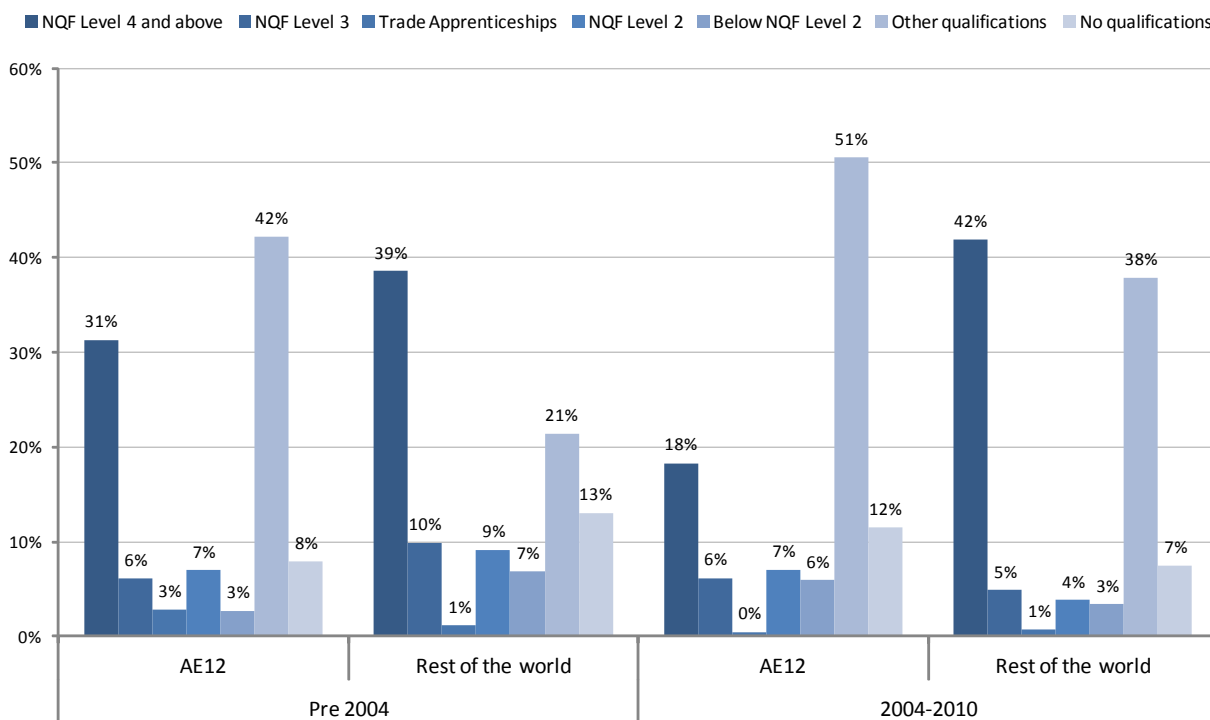
London had a large share of its population with "other qualifications" (14 per cent compared with the UK average of 8 per cent), which are qualifications that are not recognised in the UK classification, usually because they have been earned abroad. This is to be expected given the larger proportion of non-UK born residents living in London compared with other regions of the UK, with migrants making up 34 per cent of the London population compared with 8 per cent in the rest of the UK.

Among the recent immigrants to London (those who arrived to the UK in 2004 or later), 36 per cent have degrees, 8 per cent have no qualifications, and 41 per cent are classified as having 'other' qualifications.

Among the longer established immigrants (those who were born abroad and moved to the UK before 2004) 38 per cent have degrees, 13 per cent have no qualifications and 23 per cent have 'other' qualifications. Recent migrants from the 'Rest of the World' (42 per cent) are more likely to have a degree than those from the 12 European accession countries (18 per cent) (Chart 7).

Using an Office for National Statistics (ONS) estimate of what levels of qualifications are classified as 'other', it is possible to distribute 'other' across the remaining classifications (10 per cent as NVQ 3, 35 per cent as NVQ 2

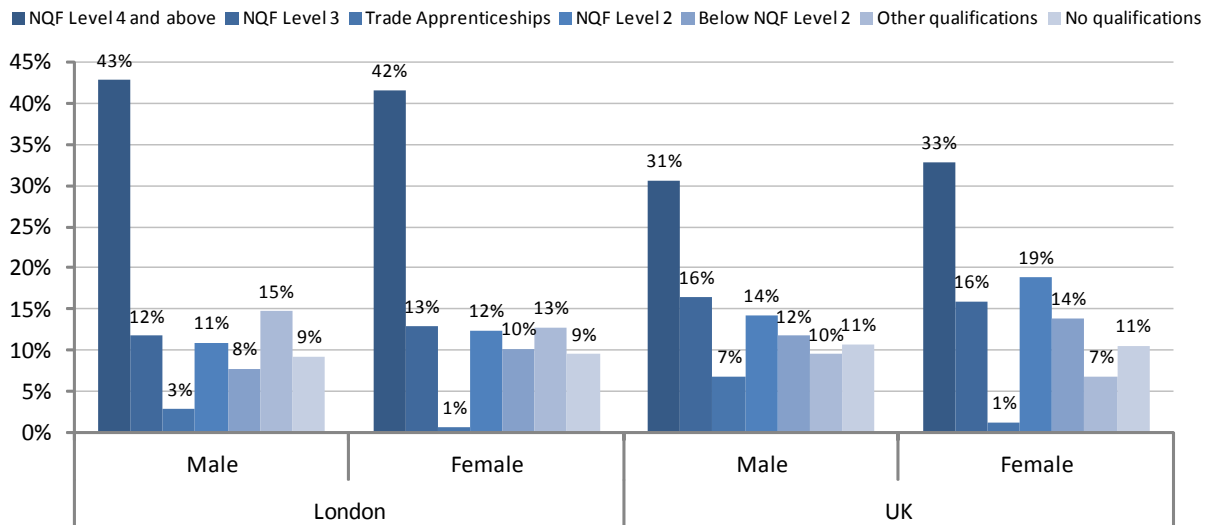
Chart 7: Highest qualification of immigrants by year of arrival, London, pre 2004, 2004-2010



Source: Annual Population Survey, ONS

AE12 = The 12 European Accession countries since 2004.

Chart 8: Highest qualification held by gender, London and UK, Jan-Dec 2010



Source: Annual Population Survey, ONS

and 55 per cent as NVQ 1). This exercise shows that at 26 per cent, London has one of the lowest proportions of people with 'below level 2' qualifications. Among people born abroad the proportion of those with degrees is lower, and the proportion of those with 'below level 2' qualifications is higher.

It needs to be noted, that the ONS estimate is for the UK as a whole and it might be less accurate for London.

Qualifications and gender

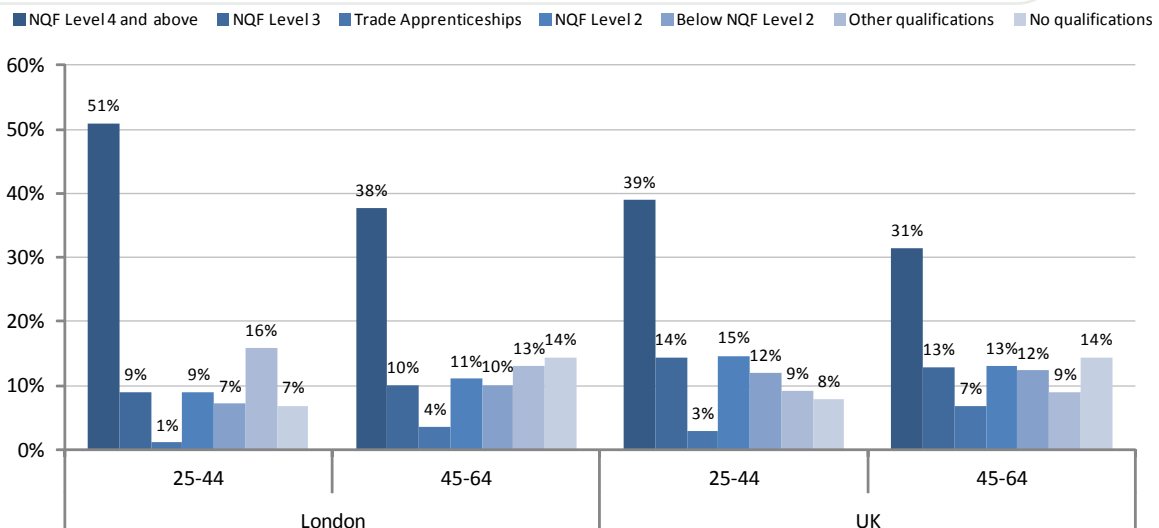
In London, a higher percentage of working-age men than women have at least NVQ level 4 qualifications, 43 and 42 per cent respectively. This pattern differs from the UK as a whole, where a higher proportion of

women have a graduate-level qualification, 33 per cent compared with 31 per cent for men (Chart 8).

This is partly explained by London's higher proportion of ethnic groups other than White, in which, on average, a lower proportion of women have degrees. When looking only at the White group the same proportion of men and women in London have NVQ Level 4+ qualifications – 45 per cent.

The proportion of men and women with no qualifications is the same in London – 9 per cent.

Chart 9: Highest qualification held by age group, London and UK, Jan-Dec 2010



Source: Annual Population Survey, ONS

Qualifications and age

In general, young people today are obtaining higher qualification levels than previous generations. As a result, when the age profile of qualifications is examined it is typical to see lower levels of qualifications amongst older age groups and this is true of the London population.

Amongst people aged 25-44, more than half of London residents had Level 4 or above qualifications, significantly higher than the level for the 45-64 age groups at 38 per cent (Chart 9, p.12). The high level of qualifications amongst 25-44 year old residents in London also partly reflects the large influx of high-skilled individuals who move into London during their twenties from other UK regions, attracted by the number of high-skilled jobs available in the London labour market.

The UK average percentage of people with NVQ Level 4 and above for the 25-44 and 45-64 groups is 39 and 31 per cent respectively - lower than in London.

Looking at young people, from 2004 to 2010 the proportion of 16-21 year olds with no qualifications has fallen in London from 15 to 11 per cent following a broader trend in the UK. In the same period the UK percentage fell from 16 to 11 per cent.

Qualifications and migration

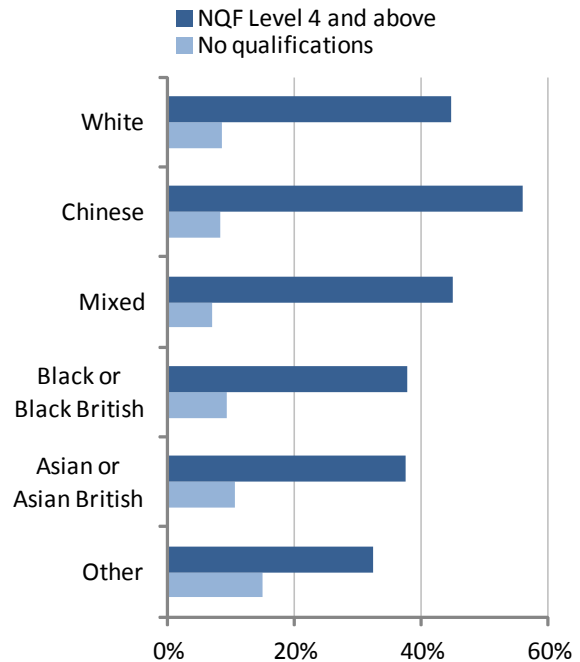
One key characteristic of the London population is its dynamism. There is constant movement of people both into and out of London from both other regions of the UK and from abroad. Approximately two million working-age residents in London were born outside of the UK. This total includes significant numbers of people (746,000) with 'Level 4' qualifications or higher, and also people with no qualifications (233,000).

Compared with 2007, the number of people born outside the UK with at least Level 4 qualifications increased in 2010 by four percentage points while the number of those with no qualifications fell by three percentage points - changes similar to those in the rest of UK. However, as was already mentioned "other qualifications" forms a particularly large share of the qualifications obtained by London residents born abroad.

Qualifications and ethnicity

International migration into London has led to a high level of ethnic diversity amongst the London population. In terms of qualification levels, 'White' residents, on average, tend to have slightly higher qualification levels than those from Black, Asian and Minority Ethnic (BAME)

Chart 10: Highest qualification held by ethnicity, London, Jan-Dec 2010



Source: Annual Population Survey, ONS

groups. The percentage of people with degrees range from 56 per cent among London residents of Chinese origin to 32 per cent for the 'other' group. At the other end of the qualifications scale, the mixed ethnicity group has the lowest proportion of people with no qualifications (7 per cent) compared with 15 per cent for the 'other' group (Chart 10).

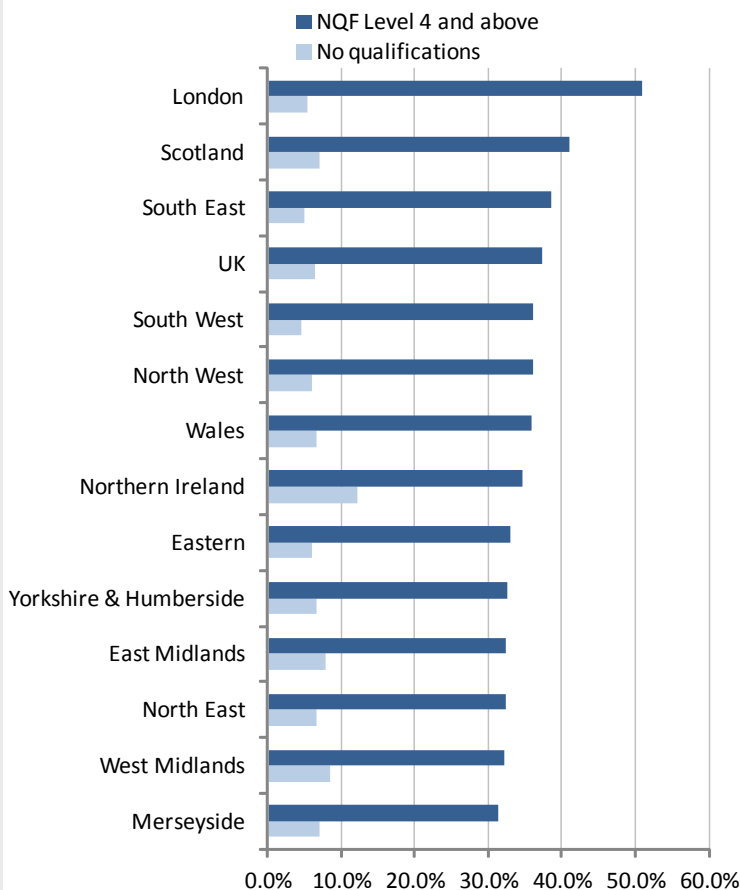
Qualifications of London workforce

While Chart 6 (p.10) showed that 42 per cent of London's working-age population had Level 4 and above qualifications in 2010, the share of jobs in London filled by people with these qualifications totalled 51 per cent (Chart 11 (p.14)). That is because people with higher qualifications are more likely to be in employment and therefore take a higher percentage of jobs.

London has easily the highest proportion of any region of jobs filled by people with graduate level qualifications. The second highest percentage is

“Compared with other UK regions, London has the highest share of jobs filled by people with degrees”

Chart 11: Highest qualification of people in employment, UK regions, Jan-Dec 2010



Source: Annual Population Survey, ONS

Scotland at 41 per cent followed by South East at 39 per cent.

This illustrates the strong demand that exists from business and the public sector for high-skilled workers within London relative to the rest of the UK. The effect is not just due to a high number of central government jobs in London. The difference persists even when public sector jobs are disregarded.

London has the lowest proportion of people with low qualifications and correspondingly, the capital also has one of the lowest proportions of people with low skills in employment. One-fifth of all people in employment in London have 'below level 2' qualifications (after redistributing the 'other' category).

Qualifications required by occupation

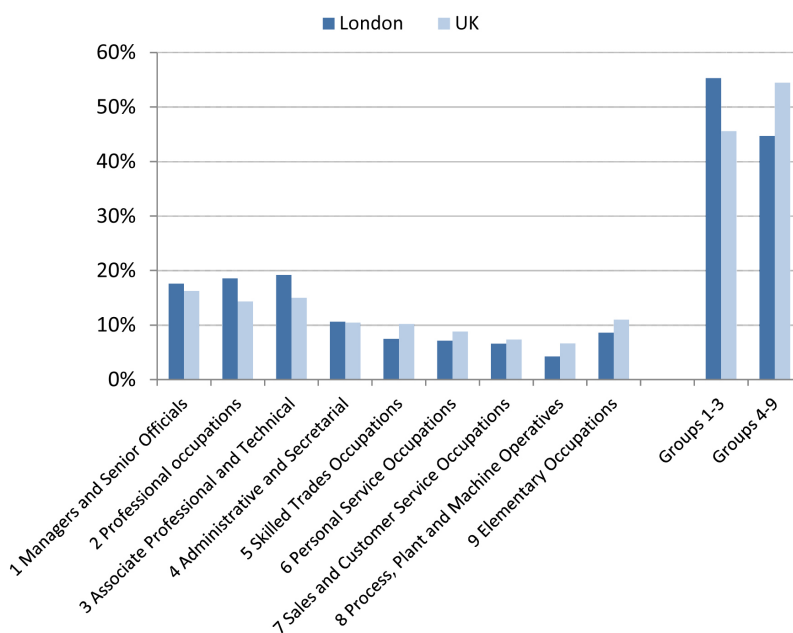
The relatively high share of jobs requiring high skill levels in London reflects the occupations and industrial sectors that are based in London.

In terms of occupations, London has a high number of jobs that are classified as Managerial or Senior Officials, Professional Occupations or Associate Professional and Technical. These occupations account for 55 per cent of jobs in London compared with 45 per cent of jobs in the UK (Chart 12).

'Level 4 or above' qualifications are required for the majority of employment opportunities in these occupations; in London 78 per cent of high-skilled jobs are filled by graduates compared with 76 per cent in the UK as a whole. Furthermore, it is these occupations that have been responsible for most of London's employment growth over the past decade.

“More than three-quarters of high-skilled jobs in London are taken by graduates”

Chart 12: London and UK workforce by occupation, Jan-Dec 2010



Source: Annual Population Survey, ONS

Skills gaps by occupation

According to National Employer Skills Survey in 2009 London displayed a broadly similar pattern of skills gaps to the rest of England. Occupations with a disproportionately high incidence of skills gap are mainly sales and customer services and elementary positions. Reported skills shortages in London were lower among people in skilled trade occupation compared with England as a whole.

Employers reported the lowest skills shortages among the managers and professional occupations.

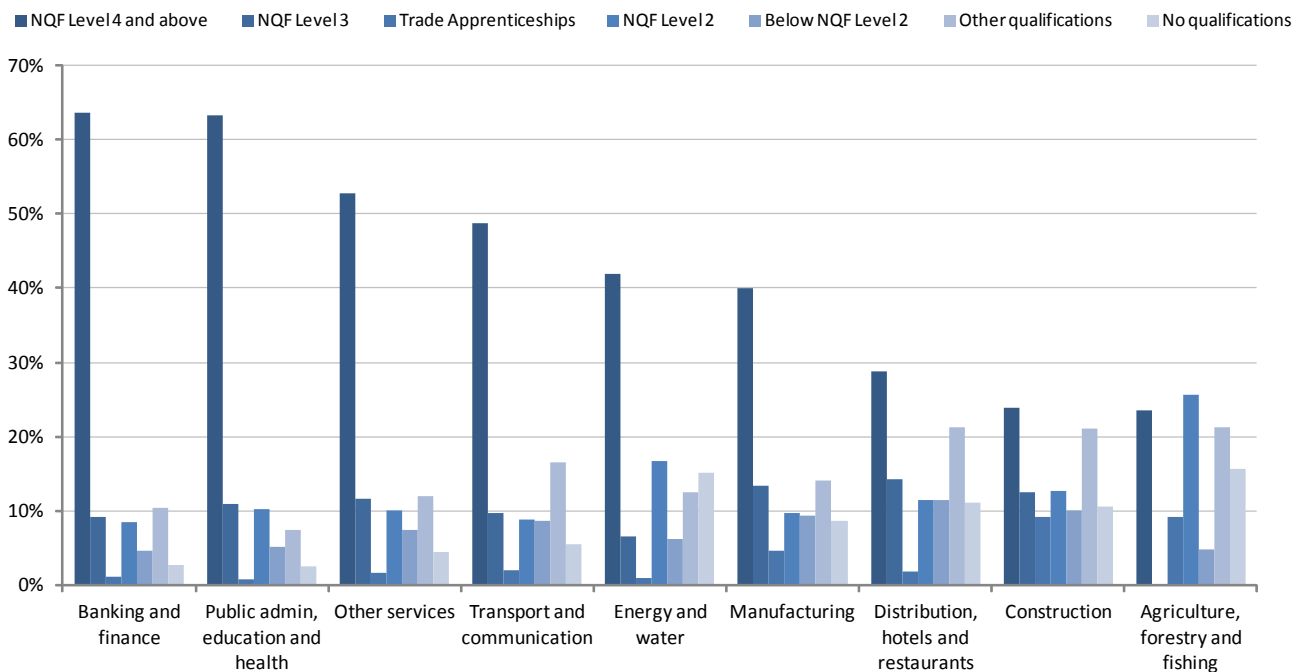
Qualifications by industry

In terms of industrial sectors, the Financial and Business Services and the Public Administration, have the highest shares of jobs filled by people with 'Level 4 or above' qualifications (64 and 63 per cent respectively), whilst the Distribution, Hotels and Restaurants and Construction sectors have the highest share of jobs filled by workers with 'below Level 2' qualifications (Chart 13).

Employment rates and worklessness by qualification

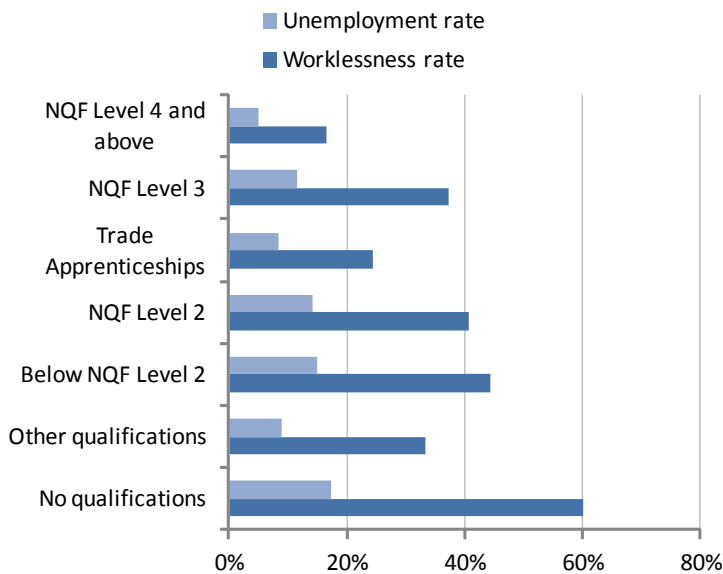
The qualifications an individual holds can be very important in terms of their success in the labour market. Qualifications have an influence on one's economic status and the lower the qualifications, the more likely an individual is to be workless. In particular, a person in London with no qualifications is more likely to be workless than to be in employment; 60 per cent of working-age people with no qualifications are workless (Chart 14, p.16). The higher the qualification level the less likely one is workless. At 'Level 4 and above' 16 per cent of Londoners are workless. This is not unique to London, and the effect might actually be stronger in the UK as a whole, with corresponding figures of 57 and 15 per cent.

Chart 13: London workforce by qualification and industrial sector, Jan-Dec 2010



Source: Annual Population Survey, ONS

Chart 14: Unemployment and worklessness rates by qualification, London, Jan-Dec 2010



Source: Annual Population Survey, ONS

International comparison

In terms of qualifications and skills, how does London compare with other European regions? According to Eurostat data, in 2010 Inner London had the highest proportion of 25-64* year old adults with tertiary education (UK equivalent – ‘Level 4’) (53 per cent), out of more than 400 regions in the European Economic Area. London as a whole, at 46 per cent, was third behind only Brabant Wallon in Belgium and Oslo in Norway.

In the same age group, 24 per cent of Londoners currently participate in education or training. London is among the top regions in this respect, trailing only certain regions in the Nordic countries and Switzerland.

It needs to be noted that London is classified as a separate region and only some big cities in Europe are classified like this. This means that London’s position might be overestimated in relation to other cities, which, if taken on their own rather than as part of a region, would have higher proportions of people with degrees and those still participating in education and training.

However, both measures suggest that London has the skills to successfully compete with the rest of Europe.

* Note: the Eurostat figure of people with tertiary education differs from the ONS data because of different age bands (16-64 and 25-64 respectively).

Website, references and further reading

Department for Education - Research and Statistics Gateway

<http://www.education.gov.uk/rsgateway/>

Office for National Statistics

www.ons.gov.uk

Qualifications and labour market data from Nomis®

www.nomisweb.co.uk

Labour Market Statistics (regional), ONS

www.statistics.gov.uk/onlineproducts/lms_regional.asp

Latest ONS Monthly regional data

www.statistics.gov.uk/StatBase/Product.asp?vlnk=15084

Organisation for Economic Co-operation and Development (OECD)

www.oecd.org

OECD - Programme for International Student Assessment (PISA)

http://www.pisa.oecd.org/pages/0,2987,en_32252351_32235731_1_1_1_1_1,00.html

OECD, *Private Schools: Who Benefits?*

<http://www.pisa.oecd.org/dataoecd/6/43/48482894.pdf>

Eurostat

<http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>

London Skills and Employment Observatory (LSEO)

www.lseo.org.uk

LSEO, *Apprenticeship in London. Where do we go from here?*

http://lseo.org.uk/sites/default/files/downloads/Apprenticeships_final_report.pdf

LSEO, *The London Story 2010 report*

<http://lseo.org.uk/the-london-story>

